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ABSTRACT

The annual report of the Coordinating Board, Texas College and University System for the fiscal year ending August 31, 1977 is presented. An overview of Board activities provides information on institutional authorization, higher education budget requests, institutional units in the College and University System, supply-and-demand career information system, quality controls, college enrollments, student loan program, and cooperation with independent colleges and universities in Texas. Detailed information is provided on the current status and plans of programs related to senior colleges and universities, community colleges and continuing education programs, financial planning, health affairs, student services, campus planning and physical facilities development, and administration. (SPG)

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Coordinating Board
Texas College and University System

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Coordinating Board, Texas College and University System
LBJ Building, P.O. Box 12788
Austin, Texas 78711

Annual Report

Coordinating Board
Texas College and University System

Kenneth H. Ashworth
Commissioner of Higher Education
August 31, 1977

Coordinating Board

TEXAS COLLEGE AND UNIVERSITY SYSTEM

P. O. BOX 12788, CAPITOL STATION

AUSTIN, TEXAS 78711

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Vice-Chairman
NEWTON GRESHAM

JACK ARTHUR

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R. PAUL TEAGUE, SR.

WAYNE E. THOMAS

M. HARVEY WEIL

SAM D. YOUNG, JR.

December 31, 1977

The Honorable Dolph Briscoe, Governor of Texas
The Honorable William P. Hobby, Lt. Governor of Texas
The Honorable William Clayton, Speaker of the
House of Representatives
Members of the 65th Legislature, State of Texas

Dear Governor Briscoe, Lt. Governor Hobby, Speaker Clayton,
and Members of the Legislature:

In accordance with the Higher Education Coordinating Act, I am pleased to submit herewith the annual report of the Coordinating Board, Texas College and University System, for the fiscal year ended August 31, 1977.

A slowdown in enrollments and evidence of changing student populations prompted the Board to direct much of its attention this year to strengthening planning efforts to improve the use of state tax dollars available for higher education. Both public and private institutions cooperated in those endeavors.

Efforts are being made to eliminate costly duplication of programs through coordinated planning. At the direction of the 65th Legislature, the Board will be undertaking comprehensive studies on the formula system of funding state colleges and universities and on faculty workloads and small classes.

Statistical information on all Texas colleges and universities will be published by the Board in a supplement to the annual report when compilation of that data has been completed.

Members of the Coordinating Board and its staff are pleased to work with the executive and legislative branches of government in ensuring that all Texans have access to a quality postsecondary education.

Respectfully submitted,

Harry Provence

Harry Provence
Chairman

THE COORDINATING BOARD

The Coordinating Board, Texas College and University System, is a statutory, 18-member board responsible for statewide planning and policies for Texas higher education. Its major areas of responsibility involve financial planning, program planning for senior colleges and universities and community colleges, continuing education, health affairs, financial aid services to students and campus planning.

The Texas Legislature created the Board in 1965 and has added to its statutory responsibilities since that time. Legislation by the 65th Legislature in 1977 strengthened existing powers of the Board in its review of campus construction. Other statutes expanded Board duties to include monitoring of faculty workloads and small classes and administration of a higher education uniform insurance benefits program.

As the State Postsecondary Education Commission (1202 Commission), the Board in fiscal year 1977 also assumed further responsibilities for planning to meet the needs of Texas higher education.

The Board is responsible for approval or disapproval of all degree programs in Texas public colleges and universities. It also recommends the establishment, discontinuance, or uniting of public institutions. The Board authorizes the creation of public junior college districts and adopts standards for their operation. It develops and recommends formulas to the Governor and Legislative Budget Board for their use in determining legislative appropriations and equitable distribution of state funds to colleges and universities. The Board supervises planning, utilization, evaluation and reporting of academic development in Texas public community colleges and universities and recommends policies for efficient use of construction funds and orderly development of physical plants. In the private sector, the Board controls the operation of substandard or fraudulent institutions. In the area of services to students, the Board administers the state's college student loan program and its student grant programs.

The Coordinating Board held four regular quarterly meetings in Austin in October 1976, and January, April and July 1977. The Board also met in three special called sessions in December 1976 and March and June 1977.

COORDINATING BOARD, TEXAS COLLEGE AND UNIVERSITY SYSTEM

Harry Provence, Chairman, Waco (1981)

Newton Gresham, Vice Chairman, Houston (1977)

Jack Arthur
Stephenville (1977)

Tony Bonilla
Corpus Christi (1979)

Dr. G. V. Brindley, Jr.
Temple (1979)

John W. Fainter, Jr.
Houston (1981)

Marshall Formby
Plainview (1977)

Mrs. Jess T. (Betty Jo) Hay
Dallas (1979)

Harold D. Herndon
San Antonio (1979)

Fred H. Moore
Austin (1979)

L. F. Peterson
Fort Worth (1981)

Richard S. Slocomb
Galena Park (1977)

Ralph Spence
Tyler (1981)

R. Paul Teague, Sr.
Texas City (1981)

Wayne E. Thomas
Hereford (1977)

M. Harvey Weil
Corpus Christi (1977)

Sam D. Young, Jr.
El Paso (1981)

Note: Six-year terms of all Coordinating Board members expire on September 1 of years indicated.

STAFF ADMINISTRATIVE OFFICERS

Kenneth H. Ashworth, Commissioner of Higher Education

William A. Webb, Deputy Commissioner
and Head
Division of Financial Planning

Gordon Flack, Head
Division of Campus Planning
and Facilities Development

Mack C. Adams, Head
Division of Student Services

David T. Kelly, Head
Division of Community Colleges
and Continuing Education

James McWhorter, Head
Division of Administration

Norma R. Foreman, Head
Division of Senior Colleges
and Universities

Dean Finley Herbst, Head
Division of Health Affairs

CONTENTS

	Page No.
Overview	3
No New Institutions Authorized	4
Higher Education Budget Requests Trimmed	4
College and University System Encompasses 100 Units	5
Expansion of Coordinating Board Responsibilities	6
Governor Requests Supply-Demand Study for College Graduates	8
Maintenance of Quality Controls Continues	9
College Enrollments Stabilize	11
Student Loan Program: Record Low Interest Rates Set, Interim Study Planned	12
Cooperation with Independent Higher Education	13
Senate Confirms Coordinating Board Appointees	14
Senior Colleges and Universities	16
Review of Program Requests and Administrative Changes	16
Approval of Course Inventories	19
Participation in Academic Common Market	20
Board Rejects Proposal for UH-Woodlands	21
Community Colleges and Continuing Education	22
Community Junior Colleges	22
Community Service and Continuing Education	24
Off-Campus Instruction	27
Financial Planning	30
Texas Formula System	30
Higher Education Appropriations for 1977-79 Biennium	34
Faculty Salaries	37
Organized Research Funds	39
Health Affairs	41
Medical Education	41
Nursing Education	47
Student Services	51
College Student Loan Program	51
Tuition Equalization Grants Program	54
Texas Public Educational Grants Program	55
State Student Incentive Grant Program	56
Texas Assistance Grants Program	56
Tuition and Fees	57
Residency Determination for Tuition Purposes	58
Other State Financial Aid Programs	59

CONTENTS (CONTD.)

Page No.

Campus Planning and Physical Facilities Development..... 60
Approval of Construction Projects and Real Property Acquisition..... 60
Long Range Campus Master Planning..... 62
Budgetary Liaison With LBB and Governor's Office..... 63
Physical Facilities Inventory..... 64
Facilities Inventory Workshops..... 64
Student Housing Survey - Fall 1976..... 65
Federal Program Administration..... 66

Administration..... 70
Business Services..... 70
Personnel Services..... 71
Educational Data Center..... 72
Data Processing..... 73
Higher Education Insurance Program..... 75

Other Activities of the Coordinating Board..... 77

OVERVIEW

Texas higher education underwent critical examination in 1977 as enrollments entered a period of stabilization and costs continued to escalate. Although much of the reassessment had its roots within the academic community, state legislators also pursued vigorous efforts to hold the line on expansion of the state college and university system.

Reflecting those concerns, the Coordinating Board examined priorities and placed emphasis on reducing unnecessary duplication and improving cost effectiveness while protecting quality.

A mood of cautious spending tempered appropriations by the 65th Legislature for public higher education. The 27 percent increase in funding for the 1977-79 biennium marked the lowest percentage increase in higher education appropriations in almost a decade.

Recommendations of the Joint Advisory Committee on Government Operations, the panel of legislators and citizens charged with studying economy and efficiency in state government, accounted for several of the new laws directed toward ensuring greater effectiveness of the higher education dollar. Coordinating Board responsibility also was broadened by many of those measures.

No New Institutions Authorized

As urged by the Joint Advisory Committee on Government Operations, the Legislature did not authorize creation of any new institutions, although close to a dozen bills proposing new units had been introduced. Within the past 10 years, 36 state-supported units of higher education have been authorized.

Gov. Dolph Briscoe took an active role in efforts to stem rising costs and to match supply of graduates to demands for their expertise. Outlining his priorities for postsecondary education to the Legislature, he called for expansion of opportunities for students in medical and health-related fields. In his State of the State message in January 1977, he also urged lawmakers to consider establishment of minimum faculty teaching loads.

In response to those recommendations, the Legislature passed a measure authorizing the creation of additional family practice residencies and appropriated $8 million in start-up funds for the Texas Tech University School of Medicine. A bill directing the Coordinating Board to develop general policies for academic faculty workloads and services also won approval.

Higher Education Budget Requests Trimmed

Legislators pared budget requests considerably from the 61 percent increase over 1975-77 which colleges and universities had sought. Funding for the 1977-79 biennium totals $2.9 billion, compared with close to $2.3 billion for the previous two years. Included in the state budget was some $15.8 million in supplemental appropriations for fiscal 1977 to senior institutions to pay additional utility costs.

The higher education funding system will come under scrutiny in the next two years as the Coordinating Board undertakes an in-depth study of the formulas which guide lawmakers in appropriating state tax dollars to public colleges and universities. Purpose of the study, mandated by the Legislature, is to evaluate the present funding methods for institutional support in the 1980s.

Formulas for fiscal 1978 and 1979 were adopted in 14 areas in January 1976 for recommendation to the Governor and Legislative Budget Board. They included, where applicable, an annual 7.6 percent inflation factor over 1977 formula rates.

College and University System Encompasses 100 Units

The $2.9 billion budgeted for higher education in the 1977-79 biennium will support more than 100 public component institutional units. Among them are 24 four-year senior colleges and universities, five upper-level universities, three upper-level centers, two upper-level extension centers, two lower-division centers and 47 community junior college districts operating 56 campuses. The state college and university system also includes one technical institute with four campuses, seven medical schools, two dental schools, other allied health and nursing units and a maritime academy.

The private sector of Texas higher education encompasses 37 senior colleges and universities, one law school, seven junior colleges, one private medical school, one private dental school and two private medically related units.

Medical School, 2 Community Colleges Open

The Texas A&M College of Medicine began operation in fall 1977 in conjunction with medical education provisions of the Veterans Administration Medical School Assistance and Health Manpower Training Act of 1972. Two additional campuses of the Dallas County Community College District opened during the summer 1977 term.

A University of Houston System and University System of South Texas were created by the Legislature, and the upper-level education center of Pan American University at Brownsville received statutory authorization.

Two proposals for new institutions were turned down by the Coordinating Board this year. The University of Houston had sought authorization to seek legislation for a campus at the Woodlands, a community north of the Houston metropolitan area. Texas Woman's University had asked Board endorsement of a proposal to establish a school of medicine in the Rio Grande Valley and Fort Worth.

Expansion of Coordinating Board Responsibilities

Action by the 65th Legislature delegated additional duties to the Board in numerous areas. The general appropriations act provided $175,000 for the Board's restudy of the formula funding system. Another measure directed the Board to consider the financial implications to the state in its review of college construction projects costing more than $500,000.

The family practice residency training program is to be administered by the Coordinating Board with the aid of a 12-member advisory

committee. The Board also is responsible for disbursing $4 million for each year of the biennium in trusteed funds to the Texas Tech School of Medicine and ensuring that those start-up monies are used prudently and effectively.

In the area of academic administration, the Legislature mandated that the Board develop general policies for academic faculty workloads and small classes. Another statute calls for establishment by the Board of a mandatory uniform method of calculating grade point averages.

The Board further was called on to administer a uniform insurance benefits program for state college and university employees.

Staff Reorganization Reflects New Duties

In response to the increased responsibilities received by the Board in recent years, the Commissioner of Higher Education in July announced reorganization of the Coordinating Board staff. He appointed two acting executive administrators pending a search for heads of the newly created Division of Senior Colleges and Universities and Division of Health Affairs.

Dr. Norma Foreman, assistant to the Commissioner and director of publications, was named acting head of the Division of Senior Colleges and Universities, and Mrs. Dean Finley Herbst, director of special studies, was appointed acting head of the Division of Health Affairs. Dr. David Kelly, head of the Division of Program Development, was named to lead the Division of Community Colleges and Continuing Education. The new appointments reflect an increase from five to seven in the number of staff divisions.

Governor Requests Supply-Demand Study for College Graduates

There was considerable emphasis this year on efforts to provide information about employment opportunities for graduates of postsecondary programs. After designating the Coordinating Board as the State Comprehensive Postsecondary Educational Planning Commission (1202 Commission), Governor Briscoe in September 1976 called on the Board to develop a state information system on job market trends.

In summer 1977, a preliminary report featuring short-term job market projections was issued by the commission. The data will be refined and updated annually to allow five-year projections to be made by spring 1979 with implementation of a comprehensive supply and demand career information system.

This year's report provides information on undersupply or oversupply of graduates in both vocational and academic fields. The Texas study is one of only a few statewide reports in the nation furnishing job supply and demand information on occupations for students earning baccalaureate, graduate or professional degrees.

In fall 1976, the Governor asked the Coordinating Board to "exercise its powers to restrict the approval of additional degree programs in such fields as teaching, law, journalism and other fields of oversupply."

He further directed the Board to limit approval of additional doctoral programs. The nation is "overproducing college teachers

and there are thousands more in the pipelines. This is a waste of human resources as well as taxpayers' funds," he said, urging the Board to "eliminate and withdraw degree programs where they cannot be justified at taxpayers' expense."

Maintenance of Quality Controls Continues

Throughout the year, much attention focused on Board procedures for upgrading quality and determining need for development of additional degree programs and off-campus activities. A monitoring of certain unaccredited private colleges and universities operating in Texas also continued.

Year-Long Deferral of Program Requests Ends

A voluntary deferral by colleges and universities of program requests ended in April 1977. Institutions had cooperated with the Board in postponing their requests for consideration of new programs and administrative changes. The delay was to enable more accurate evaluation by the Board of institutional role and scope, as well as development of institutional profiles for use in considering program proposals.

In early 1977 the Board instructed its staff to begin comprehensive analyses of pending bachelor's and master's degree programs. Postponement in the review of new doctoral programs was to continue until April 1978, however. Staff members also were directed to develop guidelines for evaluation of existing PhD programs.

A total of 49 new degree programs were approved by the Board

during the fiscal year, 35 of them on the baccalaureate level. More than 100 program proposals remained pending with the Board on Aug. 31, 1977.

Off-Campus Courses

Regulation of off-campus courses was another vital area of concern. There was evidence of progress in efforts by the Board and the Commissioner of Higher Education to eliminate duplication among institutions serving the same area. The Commissioner approved 3,908 upper-level and graduate resident credit courses to be offered in the 1977-78 academic year--a 6 percent decline from the previous year. A net reduction of 230 programs occurred at the lower-division level. The Board authorized 113 new programs, and institutions agreed to discontinue 332 programs.

In related activity, rules were adopted in March for the governance of upper-level centers and other off-campus educational units of public institutions.

As the fiscal year ended, studies were underway for development of further provisions to strengthen Board regulations for ensuring that off-campus instruction would retain the same quality as that of on-campus courses. Representatives of all Texas colleges and universities will have an opportunity to participate in drafting recommendations through their regional councils of higher education.

Safeguards Against Substandard Institutions

The Coordinating Board maintained a strict vigilance over the

operation of private colleges and universities operating in Texas which are not accredited by a recognized agency. The Board has received 30 applications for authority to award degrees in the two years since legislation was enacted to protect consumers against operation of fraudulent or substandard institutions.

College Enrollments Stabilize

Statewide college enrollments showed signs of stabilizing in fall 1976. Headcounts at the state's public and private institutions rose to 696,005, some 3.07 percent above the preceding year. Reflecting an increase of 20,774 students, the 1976 headcounts are in keeping with projections for a leveling off of enrollments during the late '70s. The modest growth rate follows an unusual 15 percent increase in 1975.

The most dramatic change was in the public junior college sector. After an increase of more than 30 percent in 1975, the growth rate at those institutions slowed to 4.52 percent in 1976.

Public senior colleges and universities continued a steady enrollment gain with a 10.26 percent increase. Independent senior colleges experienced a 1.54 percent decrease in students, while private junior colleges showed a 4.26 percent increase. Enrollment at medical, dental and allied health units rose some 4.38 percent.

The following table indicates the distribution of student enrollments for fall 1975 and fall 1976 among the various types of Texas colleges and universities. Percentage of change also is indicated.

SUMMARY OF HEADCOUNT ENROLLMENT
Texas Institutions of Higher Education
Fall 1975 and Fall 1976

Type Institution	Fall 1975	Fall 1976	Change
Public Senior Colleges and Universities	307,352	315,437	10.26%
Public Community Colleges	278,931	291,556	4.52
Semester Length	(215,148)	(215,242)	---
Other than Semester Length	(63,783)	(76,314)	19.64
Public Technical Institutes	6,128	6,871	12.12
Independent Senior Colleges and Universities	72,765	71,648	- 1.54
Independent Junior Colleges	2,344	2,444	4.26
Medical, Dental and Allied Health Units	7,711	8,049	4.38
Public Institutions	(6,156)	(6,422)	(4.32)
Independent Institutions	(1,555)	(1,627)	(4.63)
TOTAL -- All Institutions	675,231	696,005	3.07%

Student Loan Program: Record Low Interest Rates Set, Interim Study Planned

The Coordinating Board in April set a record low interest rate of 6.239 percent on Hinson-Hazlewood College Student Loans. The low rate was made possible by the January sale of $16 million State of Texas College Student Loan Bonds at 4.739 percent. Proceeds from the bond sale provide revenue for the loan program, which is expected to serve about 23,000 students in the 1977-78 academic year.

An interim committee was created by the 65th Legislature to study establishment of a state guarantee agency for student loans. Following the recommendation of the Coordinating Board, lawmakers adopted a reso-

lution calling for a committee of senators, representatives and members of the Coordinating Board to begin extensive study of the matter. The Board's recommendation was prompted by new federal regulations encouraging states to operate their own student loan guarantee agencies.

Cooperation with Independent Higher Education

In its 12-year history, the Coordinating Board has maintained a close alliance with the independent colleges and universities of Texas. That liaison continues to be of mutual benefit.

Governor Briscoe last September underscored the importance of cooperation with the independent sector when he asked the Board to "make special efforts to see that the resources of our fine private colleges and universities are taken into account when new public degree programs are proposed."

To aid in its statewide planning for the public higher education system, the Board receives data from independent institutions on their enrollments, degree offerings, facilities inventories and other information. It also is directed by statute to encourage cooperation between public and private institutions and to enter into cooperative undertakings as permitted by law.

Tuition Equalization Grants Program

The Coordinating Board for the past six years has administered the Tuition Equalization Grants (TEG) Program for needy students at accredited private colleges and universities in Texas. The 65th Legislature appropriated $21.1 million to fund the TEG program in

1977-79, close to a $5 million increase over the previous two years.

Many students who receive TEG funds also are eligible for matching federal grants through the State Student Incentive Grants (SSIG) Program. Of the total TEG appropriation for fiscal years 1978 and 1979, some $1.8 million was allocated for use as matching funds.

Contracts for Medical, Dental Education

State contracts with private medical and dental institutions also are administered by the Board for the education of Texas resident students. The trusteed funds are appropriated biennially by the Legislature.

In July 1976, the Board approved contracts with Baylor College of Medicine and Baylor College of Dentistry authorizing more than $16 million to support the education of undergraduate state residents in fiscal year 1977. The contract of $9,763,538 with Baylor College of Medicine called for the education of no fewer than 450 Texas resident undergraduate medical students during 1976-77. The Baylor College of Dentistry contract of $6,396,704 provided for the training of no fewer than 445 dental students during fiscal year 1977.

Another contract administered by the Coordinating Board provides funds for the Texas System of Natural Laboratories, Inc., to coordinate a statewide system of ecology laboratories. The fiscal year 1977 contract was for $46,000.

Senate Confirms Coordinating Board Appointees

Appointments of six Coordinating Board members were confirmed

by the Texas Senate in February. Gov. Dolph Briscoe had made the nominations in fall 1975. New Board members confirmed by the Senate were John Fainter of Houston, L.F. Peterson of Fort Worth and Ralph Spence of Tyler. Reappointments were confirmed for Board chairman Harry Provence of Waco, Paul Teague of Texas City and Sam Young of El Paso. All terms expire Sept. 1, 1981.

There remained one vacancy on the Board following the resignation in July 1976 of O. H. Elliott of Austin.

SENIOR COLLEGES AND UNIVERSITIES

The Coordinating Board in 1976-77 implemented new procedures for more comprehensive evaluation of the program needs of Texas senior colleges and universities. The Board's in-depth analysis of requests for new programs responded to concerns for establishing new priorities in higher education in an era of leveling enrollments and climbing costs. Its goal was to assist in evaluation of cost effectiveness and maintenance of quality. Institutional role and scope, student enrollments, program productivity and job market trends were among factors considered in Board reviews.

Texas colleges cooperated with the Board in its efforts to respond to public and legislative concerns for improved accountability of higher education.

Statutory mandates to the Coordinating Board include responsibilities to prescribe the role and scope for each public institution, to approve or disapprove all degree and certificate programs, new departments or schools and to protect consumers of higher education in Texas from operation of fraudulent or substandard degree programs.

Review of Program Requests and Administrative Changes

A year-long deferral in the consideration of new degree programs and administrative changes ended in March. In spring 1976 colleges and universities had volunteered to defer their program requests for a year to allow the Board to make a clearer determination of state resources available to higher education. The postponement was to enable a more accurate assessment of changing needs in a time of

stabilizing college enrollments.

By early 1977, approximately 130 proposals for new degree programs were pending with the Board. Nineteen requests for administrative changes also were pending.

Because of the substantial number of pending requests, the Board in January 1977 approved an additional postponement of up to 15 months in the consideration of new doctoral programs. It stopped short, however, of imposing a full moratorium on any PhD proposals. Board members felt that the deferral could be carried out with no harm to the State of Texas. Provisions were made to allow introduction of new proposals for which an urgent need existed. The Board also instructed its staff to develop criteria for evaluation of existing PhD programs.

Postponement of the doctoral requests enabled the staff to pursue indepth examination of pending proposals for baccalaureate and master's degree programs. As evaluation of requests began, the Board's computerized educational data center was able to produce detailed institutional profiles. Those profiles, compiled from information submitted by the institutions, furnished the Board with quantitative data on program productivity, student enrollments and faculty, among other items. In addition, the availability of departmental analyses allowed further probing of cost effectiveness and productivity.

In making recommendations to the Board for program approvals or disapprovals, the staff supplements quantitative analyses with discussions with institutional representatives. The Commissioner of Higher Education and Head of the Division of Senior Colleges and

Universities confer with campus administrators on the need for and impact of each proposal submitted to the Board.

Another significant factor in the consideration of new programs involves data compiled by the State 1202 Commission for Postsecondary Educational Planning. In accordance with Gov. Dolph Briscoe's five-step plan to relate college programs to jobs, the Board carefully assesses information compiled by the 1202 Commission. If the study indicates that graduates of certain programs already face keen competition for employment, need for additional programs in those areas is carefully evaluated.

49 Degree Programs Authorized

During fiscal 1977, the Board approved requests for 49 new degree programs: two associate, 35 baccalaureate and 12 master's. Institutions withdrew a total of six degree requests, three on the bachelor's level, two master's and one professional. The Board deferred consideration of 10 bachelor's degree programs. Disapproved were one master's degree request and one professional level program.

Eight administrative changes and proposals for reorganization received Board approval; one was disapproved. Another proposal was withdrawn at the institution's request.

Most of the new programs called for little or no additional expenditures, and several were alternative degree designations for existing courses of study. Many of the organizational changes also were low-cost measures.

As the fiscal year ended, the Board recorded 113 pending program

requests, with an additional 13 proposals for administrative changes. The bulk of the proposals was on the master's level. In addition to those 57 master's requests, some 24 bachelor's degree programs were pending.

The Coordinating Board's approval of new programs and administrative changes is a two-part process. After receiving initial authorization for the requests, institutions must certify that adequate funding exists for them and that implementation of the proposals will not reduce the effectiveness or quality of existing programs, departments or schools.

Approval of Course Inventories

The Coordinating Board in fiscal year 1977 revised its review procedures for approving course inventories at public institutions of higher education in Texas. Responsibility for the course inventory review was delegated to the Board by the Texas Legislature.

As directed by law, the Board has adopted procedures calling for annual course inventory updates, including course review for approval or disapproval. The reviews concern the appropriateness of course additions in regard to institutional role and scope and approved degree programs.

Colleges and universities are required to submit annually to the Coordinating Board a comprehensive list of courses offered in an academic year. Statutes also prohibit program expansion to include subject matter courses that are outside of approved degree and certificate programs without specific prior Board approval.

A Course Inventory Update Manual was published by the Board at the end of the fiscal year to aid institutions in complying with their reporting responsibilities as established in the Texas Education Code.

Participation in Academic Common Market

The 65th Legislature authorized Texas colleges and universities to participate in the Academic Common Market of the Southern Regional Education Board. Providing reciprocal higher education opportunities to students in the 14 SREB states, the program will enable Texas students to enroll in certain graduate degree programs in other states at resident tuition rates, effective for the 1978-79 academic year. In addition, out-of-state students may enroll in selected graduate programs in Texas at in-state resident tuition rates.

Legislation directs the Coordinating Board to administer the Texas program. State participation in the Common Market had been recommended by the Board as a means of controlling costly program growth. The program enables SREB states to avoid duplication of specialized programs for which there is real, but limited, need and student demand.

Since passage of the statute, the Board staff has begun a survey of Texas universities to determine programs which may be eligible for Common Market offering. To be considered for listing in the Common Market catalog, a program must not require any additional faculty or facilities to accommodate more students. The institution also must certify that admission of out-of-state students would not deny access to Texas residents.

Board Rejects Proposal for UH-Woodlands

The University of Houston requested Coordinating Board authorization to seek legislation for a proposed campus at the Woodlands, a "new town" in Montgomery County. After hearing extensive testimony on the issue, the Board in January voted to deny the request. Board members felt it would be premature to endorse the proposal when a clear need for the additional campus north of Houston had not been established.

Woodlands developer George Mitchell and his wife Cynthia Mitchell in 1971 had deeded a 400-acre site to the university for the branch facility. The donation carried with it a stipulation that legislative authorization for the campus be obtained by 1977 or the offer for the land would expire. But because of the Board's position, the university did not seek statutory authorization for the campus, and no such legislation was introduced.

In rejecting the request, the Board expressed concern that the proposed facility could harm other universities traditionally serving the area--particularly Sam Houston State University 44 miles to the north. It was pointed out that demographic trends did not warrant formal action by the state for a new campus, despite an earlier Board recommendation in 1968 for two additional UH components--one to the north and one to the south of the metropolitan area. The one to the south, University of Houston at Clear Lake City, began operation in 1974.

COMMUNITY COLLEGES AND CONTINUING EDUCATION

Creation of the Coordinating Board's Division of Community Colleges and Continuing Education in fiscal year 1977 provided greater visibility for the concerns of this growing segment of postsecondary education in Texas.

As directed by statute, the Board is responsible for making recommendations for the development of public community colleges, approving or disapproving off-campus and out-of-district course offerings, authorizing creation of community college districts and adopting standards for the operation of public junior colleges. It also administers and coordinates community service and adult and continuing education programs.

Community Junior Colleges

The statewide system of community colleges underwent expansion in 1976-77 with the opening of two additional campuses in the Dallas County Community College District. Both Cedar Valley College and North Lake College opened in summer 1977, bringing to 56 the number of colleges being operated by the 47 community college districts.

Enrollment at these two-year, open-admission institutions increased modestly from 278,931 in fall 1975 to 291,556 in fall 1976. That growth marked the smallest annual enrollment increase in the past decade.

In keeping with its legislative mandate concerning the development of public community colleges, the Coordinating Board in April strengthened its policy requiring a strong local tax base as a

precondition for establishment of new community college districts.

Certificate and Degree Program Development

The Coordinating Board continued to work with the State Board of Vocational Education in the development of certificate and degree programs in technical and vocational education to be offered at colleges and universities. Through the Joint Agency Program Review Committee, the Board joined the Texas Education Agency in encouraging implementation of needed vocational-technical programs.

Certificate or degree-level vocational programs at public community colleges, technical institutes and Lamar University all must receive approval of the joint committee before implementation. In addition, vocational programs for less-than-baccaulareate level degrees by public senior colleges must be reviewed by a joint committee of TEA postsecondary staff and Coordinating Board staff.

During 1976-77, the joint panel approved 109 vocational-technical programs submitted from among the 47 community college districts. Lamar University received approval for five new programs. The Board also approved two associate of science/associate of applied science degrees at Sul Ross State University.

To extend educational opportunities for graduates holding associate degrees in technical-vocational fields, East Texas State University at Texarkana, an upper-level center, was authorized to implement a bachelor of applied arts and sciences degree. The program, frequently referred to as an "inverted" degree, is designed for technical-vocational graduates who complete many of their technical courses in the fresh-

man and sophomore years at community colleges and take their general academic work during the latter two years at a senior institution.

Semester Credit Hour Production

In fall 1976, community junior colleges produced 1,447,528 semester credit hours in academic, university parallel courses, a slight decline from the 1,529,719 semester credit hours reported for fall 1975. Community colleges generated 46,336,473 contact hours during fiscal year 1977. That figure compares with 45,534,645 contact hours the previous fiscal year.

State funding, which provides partial support for community colleges, increased 18 percent in 1977 over 1976.

Community Service and Continuing Education

Grants totaling $538,100 were awarded by the Coordinating Board in fiscal year 1977 to support 23 community service and continuing education projects at 17 Texas colleges and universities. The Board serves as state administrator of the federal funding provided through the Community Service and Continuing Education Program (CSCE) Program under Title I of the Higher Education Act of 1965.

The state plan approved for Texas' participation in CSCE grants encourages institutions to undertake projects which will strengthen or improve state and local governments. The colleges receiving grants and the government agencies being served will match the $538,100 in federal monies with $480,500 from nonfederal sources. Title I grants must be matched at the rate of at least one state or other nonfederal dollar for each two federal dollars.

The Coordinating Board has approved the following objectives for the Texas Community Service and Continuing Education Program:

--Demonstrating the value of academic resources toward the solution of community problems, with the expectation that a systematic, statewide, cost-effective program will be established within the next three years.

--Developing within state institutions the capability for responding to educational needs identified by community leaders.

--Improving the quality of traditional academic courses by giving faculty members in accredited institutions of higher education an opportunity to apply research and theory toward the solution of community problems.

--Making college and university academic resources available to adults throughout the state. Courses should be offered at moderate prices at times and places convenient to the students.

State Plan for Adult and Continuing Education

The Education Amendments of 1976 expanded Title I of the Higher Education Act of 1965 by adding two categories of funding: "Expansion of Continuing Education Activities" and "Planning for Resource Materials Sharing." Provisions for incorporating those new categories in the 1978 Annual Program Plan for Adult and Continuing Education received Coordinating Board approval in June. The plan establishes procedures to allocate federal funds to institutions in proportion to the fees paid for developing and conducting continuing education programs. Only substantive programs meeting specific criteria designed

to assure quality will be supported.

An amended State Plan reflecting changes required by federal legislation was approved by the Coordinating Board in July 1977. It makes provisions for the expenditure of interest earned on funds deposited in the account. The plan allows depository interest funds to be added to federal funds allocated to Texas. They also may be used to finance studies or other activities consistent with the purposes of the State Plan.

Texas Statewide Corrections Intern Program

The Coordinating Board in 1977 continued its administration of the Texas Statewide Corrections Intern Program for the Criminal Justice Division in the Office of the Governor. The program provides students enrolled in various fields of criminal justice education with small stipends for temporary employment in corrections agencies throughout the state. Through such internships, the students gain firsthand knowledge to determine if they wish to continue pursuit of professional careers in the area of corrections.

Intent of the program is to encourage promising university and college students to consider careers in the corrections field while providing them with a work experience to complement their academic development. It further attempts to supply needed manpower assistance to state, regional and local corrections agencies in Texas. Another goal of the program is to enhance faculty awareness of problems in corrections and promote the development of research and technical assistance.

The Board received sufficient funding in 1977 for 252 interns to work in corrections agencies during both the spring and summer semesters. A total of 87 internships were funded in the spring. They represented 22 academic departments at 19 universities. During the summer semester, 165 interns participated in some 25 projects at 21 educational institutions.

The 1976 grant award of $148,389 was increased to a 1977 allocation of $280,130 to provide funding for a larger number of students indicating career interest in the area of corrections.

Off-Campus Instruction

Considerable attention was focused this year on the regulation of off-campus instruction. In December 1976, the Board adopted recommendations intended to limit the funding of off-campus instruction.

Board members in March 1977 adopted rules and regulations governing upper-level centers and other off-campus educational units of public universities. Minor amendments to rules and regulations governing off-campus activities received Board approval in July.

In connection with those revisions, the regional councils of higher education were asked to consider further provisions to strengthen Board rules. The councils, which represent all public colleges and universities, serve as a forum for public and private institutions of higher education. They have been encouraged to recommend rule changes which could assure that the quality of off-campus instruction remains equivalent to that of on-campus instruction.

In addition, the Association of Texas Graduate Schools, at the

request of the Commissioner of Higher Education, has undertaken a study of quality in off-campus courses.

However, existing Coordinating Board rules continued to be applied successfully in 1977 for the review, approval and disapproval of off-campus credit courses for public colleges and universities. During eight higher education council meetings and five area conferences, annual plans for the off-campus offerings of public institutions were developed in the spring for 1977-78. Almost all instances of unnecessary duplication and conflict among institutions were eliminated during these conferences and council meetings.

Taking the conference recommendations into consideration, the Commissioner of Higher Education in June disapproved 150 resident credit off-campus courses. He approved 218 extension (self-supporting) courses and 3,908 resident credit courses to be offered at public universities in 1977-78. Those figures represent a decline of 6 percent, or 256 courses, from 1976-77 approvals. None of the disapprovals was appealed to the Board.

The Board in July approved 1977-78 annual plans for lower-division courses. Some 113 new programs/courses were approved; two programs/courses were disapproved. Nine previously approved programs/courses were terminated in accordance with Coordinating Board rules. Institutions discontinued 332 programs/courses, yielding a net reduction of 230 programs/courses at the lower-division level throughout the state.

Noncredit Instructional Activities

In response to inquiries about noncredit instruction, the Com-

missioner of Higher Education issued a memorandum in February concerning differences among institutions over noncredit instructional activities. He called upon colleges to resolve among themselves any disagreements arising from noncredit instructional activities within commuting distance of other institutions.

When conflicts cannot be resolved, they are referred to the appropriate regional higher education council for resolution. The Commissioner will resolve differences not handled successfully at the regional level.

FINANCIAL PLANNING

In planning for the financial needs of public colleges and universities, the Coordinating Board plays a vital role in the maintenance of quality higher education in the State of Texas. Formulas for allocating adequate and equitable funding for operation of the state's higher education system are designated biennially by the Board through its Division of Financial Planning.

The Board also conducts studies pertaining to educational costs and procedures. In addition, it administers trusteed funds for the education of Texas students at private medical and dental schools and for other educational programs.

A record level of state funding was recorded for financing higher education in the 1977-79 biennium. To meet increased costs resulting from continued enrollment growth and inflation, the 65th Legislature appropriated some $2.9 billion for Texas higher education agencies and institutions during fiscal years 1978 and 1979.

Texas Formula System

When the Coordinating Board was established in 1965, it was directed to designate financial formulas intended to assure equity in the distribution of state funds for Texas colleges and universities. Those formula recommendations must be established by March 1 of even-numbered years. They are then submitted to the Governor and the Legislative Budget Board for their use in making appropriation recommendations to the Legislature. Colleges and universities also

use the formulas to prepare budget requests.

Every two years the formulas undergo careful study for needed revision. The Board staff works with advisory committees of junior and senior college representatives and lay citizens to assess the adequacy of the formulas in meeting the financial needs of the institutions.

The 65th Legislature appropriated $175,000 for a comprehensive review of the state funding methods for higher education. Primary emphasis will be on a restudy of the formulas for funding senior colleges and universities. The last major revision of the financing system was in 1970.

Formulas Recommended for 1977-79

In February 1976, the Coordinating Board designated formulas for fiscal years 1978 and 1979. Formulas for senior colleges and universities cover 13 areas of cost, comprising approximately 79 percent of the educational and general appropriations to the institutions. The Board also approved a formula to provide state support of general academic programs at public community junior colleges. Where applicable, the designated formulas include an annual 7.6 percent inflation factor over the fiscal 1977 funding level.

Formulas in two new areas--Physical Plant General Services and Community Services and Continuing Education--were adopted. In addition, certain formulas were modified to accommodate low enrollment general academic institutions--primarily, the new upper-level colleges and universities. The 64th Legislature had asked the Board to recommend

formula rates responsive to the financial needs of these institutions.

The public junior college formula adopted for 1977-79 is based on the 1975 median cost per contact hour for general academic program areas. The formula again includes a recommendation for a lump-sum contingency appropriation for enrollment increases, determined over a 12-month base period, for each year of the biennium.

Senior college and university formulas for 1978 and 1979 are extensions of Board-recommended rates and appropriated rates for the 1975-77 biennium. Modifications for low enrollment institutions are incorporated in the formula areas of General Administration and Student Services, Faculty Salaries, Departmental Operating Expenses and Library.

Formula rates as appropriated by the Legislature for 1977 were used as a base for the General Administration and Student Services formula. In addition to the inflation factor for each year, a 2 percent improvement factor was applied to the 1977 rates to offset rapidly increasing costs for operation of student services and the requirements of federal and state reports.

The formula for General Institutional Expense remained as approved by the Board for the 1975-77 biennium with rates adjusted for inflation. The 64th Legislature used rates recommended by the Board in funding appropriations for this formula area.

The Faculty Salaries formula is based on rates appropriated in 1977, escalated by the 7.6 percent inflation factor for each year of the biennium. The rate is expected to maintain Texas faculty salaries at a level comparable to the national average. Rates are inserted

for doctoral level social service and master's level technology. Rates for law and pharmacy are adjusted to accommodate changes in programs related to clinical pharmacy and clinical law.

The Departmental Operating Expense formula includes, for the first time, rates for programs in undergraduate social services, master's level technology and doctoral level social service. Law and doctoral pharmacy rates are increased.

Unchanged from the 1975-77 biennium are formulas for Instructional Administration, Organized Research, Custodial Services, Grounds Maintenance and Faculty and Staff Group Insurance. The Building Maintenance Formula is updated with the most recent figures recommended for building maintenance based on age and type of construction.

The Library formula is modified to generate funding ranging from a minimum of $225,000 to a maximum of $450,000 for library acquisitions and operation at institutions with enrollments of less than 50,000 semester credit hours.

The new formula for Physical Plant General Services was developed to provide funds for salaries, supplies, travel, equipment and other expenses in physical plant administration planning and services.

A formula for Community Service and Continuing Education provides limited funding to institutions for the operation of such programs approved by the Coordinating Board. Previously, no state funding formula had been recommended for such programs.

Higher Education Appropriations for 1977-79 Biennium

For the 1977-79 biennium, appropriations from all funds for all agencies of higher education totaled $2,890.2 million, an increase of $612 million or 26.9 percent over the 1975-77 biennium. The combined total of general revenue and federal revenue sharing funds appropriated was $2,446.2 million, providing an increase of $503.3 million or 25.9 percent over the comparable total for the previous biennium. A summary of increases in biennial appropriations from all funds by various classifications of institutions and agencies of higher education is shown below:

	Biennium		Increase	
	1975-77	1977-79	Amount	Percent
Public Senior Colleges	$1,154,323,585	$1,373,206,492	$218,882,907	19.0%
Public Junior Colleges	313,806,862	426,214,135	112,407,273	35.8
Health-Related Agencies	496,600,491	662,581,736	165,981,245	33.4
All Other	313,442,817	428,152,252	114,709,435	36.6
TOTAL	$2,278,173,755	$2,890,154,615	$611,980,860	26.9%

Public Senior Colleges and Universities

Appropriations for the public senior colleges and universities increased $218.9 million or 19 percent over the 1975-77 biennium. In most of the Coordinating Board recommended formula areas, funds were provided to update enrollments as well as to supply increases in appropriated formula rates. Where applicable, formulas were

adjusted to reflect a salary increase policy of 3.4 percent each year of the biennium. Rates of increase were different for various elements of cost, since each area has a different percentage of salaries to total expenditures.

An exception was in the area of Organized Research. Except for the University of Texas at Dallas, no upper-level institution received appropriations for Organized Research. Also no Organized Research appropriations were made to the University of Houston Downtown College. All other four-year institutions received the same amount in fiscal year 1978 as they had in 1977. Fiscal year 1979 amounts were 50 percent that of 1978 funding.

The Coordinating Board recommended a formula for the first time in the area of Physical Plant General Services. The formula was used by the Legislature in determining formula amounts, except no off-campus semester credit hours were excluded in the computations.

Funds for new construction were received by Corpus Christi State University ($1,800,000), Laredo State University ($1,600,000) and Texas Eastern University ($4,087,597).

Public Community Junior Colleges

Total biennial appropriations to the public junior colleges increased $112.4 million or 35.8 percent over the previous biennium. Of this increase, $64.3 million is for additional support of general academic programs and $48.1 million for vocational-technical programs. Start-up funds are provided for academic and vocational programs in four junior college districts. For the first time in several years,

contingency funds are not provided for enrollment increases.

Health-Related Units

Appropriations for the 1977-79 biennium increased $166 million or 33.4 percent, compared with appropriations for the 1975-77 biennium. Units receiving new construction appropriations were Texas College of Osteopathic Medicine ($15,524,714), University of Texas Health Science Center at San Antonio ($9,262,500) and Texas Tech University School of Medicine ($1,400,000).

Coordinating Board

The Coordinating Board received funds for several new purposes, including the $175,000 appropriation for the formula restudy. A $2.8 million contingency fund was included to provide for enrollment growth at upper-level institutions.

Also received was $3.3 million to be allocated according to recently passed legislation which authorizes the Coordinating Board to contract with medical schools, licensed hospitals and nonprofit corporations to provide state funds for family practice residency training programs. In addition, $8 million is appropriated for disbursement by the Board to the Health Sciences Center Hospital at Lubbock.

The following appropriations were made to continue activities and programs funded in the previous biennium:

--$25.7 million for contracting with Baylor College of Medicine

--$16.0 million for contracting with Baylor College of Dentistry

--$92,000 for contracting with Texas System of Natural Laboratories, Inc.

--$21.1 million to fund the Tuition Equalization Grants Program

--$1.5 million to fund the Fifth Pathway Program

Faculty Salaries

Although average faculty salaries at Texas public senior colleges increased in 1976-77, they did not keep pace with inflation. Budgeted faculty salaries at the senior institutions climbed to an average of $16,437 for the 1976-77 academic year. That was an increase of $819 or 5.2 percent above the $15,618 average recorded the previous year. The increase was 0.6 percent below the 1976 inflation rate of 5.8 percent assessed by federal statistics.

At Texas public community colleges, average faculty salaries for 1976-77 increased 6.5 percent over the previous year. They climbed from $13,546 to $14,425--an increase of 0.7 percent above the cost-of-living rise in 1976.

The following tables show average faculty salaries in Texas for nine-month academic years since 1970-71, percentages of increase during the seven-year span and the average calendar year cost-of-living inflation rates measured by the Consumer Price Index as reported by the Bureau of Labor Statistics:

Average Budgeted Faculty Salaries, All Ranks
Texas Public Senior Colleges and Universities
1970-71 through 1976-77

Nine-Month Period	Texas Average*	Annual% Salary Increase	Average Annual% Cost-of-Living Increase**
1976-77	$16,437	5.2%	5.8% (1976)
1975-76	15,618	11.6	9.1 (1975)
1974-75	13,998	6.1	11.0 (1974)
1973-74	13,187	4.5	6.2 (1973)
1972-73	12,623	4.0	3.3 (1972)
1971-72	12,141	2.3	4.3 (1971)
1970-71	11,865	4.7	5.9 (1970)

*Coordinating Board salary survey based on average budgeted salaries paid to full-time and part-time instructional personnel for nine months of service.
**Source: Bureau of Labor Statistics

Average Budgeted Salaries
Texas Public Community Junior Colleges
1970-71 through 1976-77

Nine-Month Period	Texas Average*	Annual% Salary Increase	Average Annual% Cost-of-Living Increase**
1976-77	$14,425	6.5%	5.8% (1976)
1975-76	13,546	11.6	9.1 (1975)
1974-75	12,138	7.8	11.0 (1974)
1973-74	11,259	4.7	6.2 (1973)
1972-73	10,754	5.3	3.3 (1972)
1971-72	10,209	6.2	4.3 (1971)
1970-71	9,611	N/A	5.9 (1970)

*Coordinating Board salary survey based on average budgeted salaries paid to full-time faculty personnel in general academic courses only for nine months of service.
**Source: Bureau of Labor Statistics

The number of full-time equivalent faculty members employed in Texas senior colleges and universities in 1976-77 was 14,160--an increase of 5.6 percent over the 13,415 employed in 1975-76. Com-

munity colleges employed 3,465 full-time academic faculty members in 1976-77--an increase of 4.6 percent over the 3,314 employed the previous year.

Organized Research Funds

Public senior colleges and universities in Texas received a total of $166.6 million in organized research funds during fiscal year 1976. That figure marks a 13.79 percent increase over the record $146.4 million available the previous year to general academic and health-related institutions.

Federal funds provided for more than half the revenue available for research. Close to 24 percent of the total available monies came from state appropriations.

Research funds in fiscal 1976 were derived from the following sources:

Source of Funds	Amount	Percent of Total
Public		
State Appropriated	$ 39,576,738	23.76 %
Institutionally Controlled	4,928,787	2.96
Federal Government	94,681,013	56.84
Other	3,049,165	1.83
Private		
Profit	6,499,336	3.90
Non-Profit	15,298,881	9.18
Other	2,553,542	1.53
TOTAL	$166,587,462	

Increasing by more than 11 percent over the previous year, funding for public academic senior institutions totaled $111 million.

The largest share of those monies went to Texas A&M University, which received $47 million. Some $36.1 million was earmarked for the University of Texas at Austin.

Public medical, dental and allied health schools received a total of $55.7 million, more than 19 percent over fiscal year 1975. About 41 percent of the $23.25 million for research funding at health science institutions was directed to the University of Texas Cancer Center at Houston.

HEALTH AFFAIRS

The Coordinating Board in 1977 devoted increasing attention to assessment of medical, dental, nursing and allied health programs. In monitoring state needs, the Board conducted two in-depth studies on medical and nursing education which gave careful consideration to available state resources.

Medical Education

A staff study of medical education needs was presented to the Board in October 1976 by the Commissioner. The report indicated that the Board's 1975 position on medical schools was still valid. At that time, the Board had advised the Legislature that no new medical schools were needed in Texas. The new data also supported the Board's position that the state should fully fund its existing schools to bring them to optimum capacity as quickly as possible.

However, the increase in the number of medical school graduates was seen as only a partial solution to the problems of undersupply and maldistribution of physicians. Partial state funding for additional residency positions was cited as being more effective than creation of new medical schools in increasing the number of physicians in Texas. Specifically, the study noted that the financing of family practice residencies could help alleviate the problem of maldistribution. That conclusion supported the recommendation of the Joint Advisory Committee on Government Operations. Members of the panel had urged partial state funding of up to 300 residencies in family practice programs.

TWU Medical School Request

Adhering to its position that creation of another medical school would not solve the problem of maldistribution of doctors in the state, the Coordinating Board in March 1977 rejected a proposal for a medical school in the Rio Grande Valley. Texas Woman's University had submitted the request. An earlier TWU proposal for a medical school with components in Fort Worth and the Rio Grande Valley had been withdrawn by the institution.

In conjunction with Board action on the TWU request, Chairman Harry Provence of Waco was authorized to appoint a special committee to study the medical education and health care delivery needs of underserved areas of the state. That panel, the Advisory Committee on Medical Manpower, additionally was directed to work toward recruitment of more women and minorities in health care fields.

Recommendations to Legislature

Also endorsed by the Board in March was a motion to support the five recommendations of the Joint Advisory Committee on Government Operations concerning medical education. Those recommendations, submitted to the 65th Legislature, were as follows:

--Existing medical schools should be funded to permit planned expansion to their optimum capacities, and no new medical school should be authorized without prior Coordinating Board approval.

--The State of Texas should set as its goal the creation of 300 additional family practice residency positions by 1980 and provide fin-

ancial support at a level not to exceed one-half the total cost of each residency position.

--Sufficient restrictions should be placed on the residencies to ensure that medical graduates accepting placement will practice in rural areas or underserved urban areas in Texas for not less than three years.

--The State of Texas should provide support not to exceed one-half of the total cost for each residency position as may be necessary to maintain existing family practice residency programs where other funding for those existing positions proves to be inadequate.

--The State of Texas should continue to provide support for the education of Texas residents at Baylor College of Medicine and Baylor College of Dentistry, but the authorizing legislation should be amended to clarify the basis for calculating the level of state support to be awarded.

A&M College of Medicine

To meet provisional accreditation standards of the Liaison Committee on Medical Education (LCME), the Board in December 1976 authorized Texas A&M University to be the degree-granting institution in the Veterans Administration medical school assistance program. In 1973, the Board had designated A&M as the state-supported university to participate in the medical education provisions of the VA Medical School Assistance and Health Manpower Training Act of 1972. The program was to be conducted in conjunction with Baylor College of Medicine, and a joint MD degree had been approved. The LCME, however, specified

that the degree be granted by a single institution rather than jointly.

Although the program continued to receive planning assistance from Baylor, A&M was to assume the major responsibility for its administration.

As an additional requirement for accreditation, A&M sought authorization to redesignate its medical education program as a college of medicine. That administrative change was endorsed by the Coordinating Board in March, and the A&M College of Medicine was to enroll its first class of 32 students in fall 1977.

Family Practice Residency Program

Preliminary procedures were adopted in July for administration of a Coordinating Board Family Practice Residency Program. Mandated by the 65th Legislature, the program is intended to improve the distribution of physicians in underserved rural and urban areas of the state. The Legislature appropriated close to $3.3 million for the biennium for the establishment and operation of family practice residency programs. It earmarked $852,700 for fiscal year 1978 and $2,427,932 for fiscal year 1979.

One of the Board's earliest responsibilities under the new law, HB 282, concerned the creation of a 12-member Family Practice Advisory Committee. The committee is charged with recommending to the Board procedures for planning and funding of additional residency positions.

Initial terms of office for committee members, as stipulated by the legislation, were approved in July. Three-year terms are to be held by one member of the public appointed by the Governor, two licensed

physicians appointed respectively by the Association of Directors of Family Practice Training Programs and Texas Academy of Family Physicians and a hospital administrator appointed by the Texas Hospital Association.

Individuals from the same categories also will be named for one-year terms. The president of the Texas Academy of Family Physicians will serve as that organization's representative for the one-year term.

Committee members serving two-year terms include another gubernatorial appointee and three licensed physicians appointed respectively by the Texas Osteopathic Medical Association, Texas Medical Association and Texas Academy of Family Physicians.

The advisory committee will review applications for funding of family practice residency training programs and recommend standards and criteria for their approval. It is required by law to meet at least annually and at the request of the Board.

Medical, Dental Contracts

The Coordinating Board received substantial increases in its appropriation for trusteed fund contracts with Baylor College of Medicine and Baylor College of Dentistry. Annual fiscal year 1978 contracts with the private institutions were approved by the Board in July.

The 65th Legislature appropriated $13,084,725 to support the instruction of Texas residents at Baylor College of Medicine during the 1977-78 school year. An $8,088,088 appropriation will fund the con-

tract with Baylor College of Dentistry for the education of Texas resident students.

Funding is appropriated biennially to the Board to contract for the education of undergraduate medical and dental students who are state residents. Appropriations are based on the average annual state tax support per undergraduate medical and dental student at established public institutions. The state support is intended to increase the supply of physicians and dentists practicing in Texas.

Fifth Pathway

The Board received $750,000 for fiscal year 1978 to fund the Fifth Pathway Program.

Fifth Pathway contracts with medical schools provide clinical training for Texas residents who have attended foreign medical schools and qualify for admission to medical schools in the state. Enacted in 1975, the program aids students attending foreign medical schools in becoming licensed to practice medicine in Texas. The contracts provide state funding of up to $25,000 per student to medical schools offering a year of supervised clinical training for Texas resident Fifth Pathway students.

In the first two years of the Fifth Pathway program (the 1975-1977 biennium), a total of 14 Texas residents was enrolled in Texas medical schools, 12 of those in the second year of the biennium. Participating schools currently are the four University of Texas System medical units and Baylor College of Medicine.

Nursing Education

Programs in nursing education received considerable study during fiscal year 1977. The Coordinating Board authorized one new bachelor of science degree in nursing and five master of science degrees in nursing.

A request from Angelo State University to offer a bachelor of science in nursing degree was approved in April. It was to be patterned after curriculum recommendations published in the July 1974 CB Study Paper 19, A Multiple Entry and Exit Curriculum Model in Nursing: Final Report of the Study Committee on Nursing. That study encouraged a multiple entry-exit curricula which would allow nurses who complete a two-year associate degree in nursing or a hospital diploma program to apply credits earned toward a BSN.

Based upon the recommendation of its Program Development Committee, the Board voted to defer until July 1979 consideration of a proposal for a bachelor of science in nursing degree sought by Southwest Texas State University. The institution requested authorization to offer a degree program also modeled after the Study Paper 19 guidelines.

Consideration of the degree request had been postponed from the April Board meeting to allow time for additional study. In deferring consideration of the request in July, the Board voted to reevaluate in two years the needs of the Central Texas area for an additional nursing program. Student demand for the proposed type of degree plan and adequacy of clinical facilities for both the existing

and proposed programs also are to be examined at that time.

Other factors the Board will weigh in its decision include the availability of qualified faculty, response of the four existing BSN programs in Central Texas (Austin, Belton and San Antonio) to student demand and plans of private institutions offering nursing programs in the area. The Board further urged that institutions currently offering RN-BSN programs in Central Texas be encouraged to meet identified needs for nursing personnel.

Review of the status of nursing education was referred to the Board's Advisory Committee on Medical Manpower. In one year the committee is to examine the progress of the four Central Texas institutions in meeting the needs of area nurses.

Master of science in nursing degrees were approved in July at five institutions in an attempt to increase the number of qualified faculty for existing nursing programs. Effective in 1980, the Board of Nurse Examiners will require a master's degree in nursing or its equivalent for college nursing faculty.

The new MSN programs will be offered at the University of Texas at Arlington, UT-El Paso, UT Health Science Center at Houston, UT Medical Branch at Galveston and West Texas State University.

Approval of the MSN at West Texas State requires the university to file annual reports with the Coordinating Board on the status of the existing BSN program. Information on progress in planning for the master's level program also is to be included. Reports are due in January 1978, 1979 and 1980. The MSN program was authorized to begin in the summer of 1980. Graduate courses may be initiated in fall 1978, dependent upon employment of appropriate faculty.

Staff Nursing Study

A staff progress report on undergraduate nursing education was presented to the Board in conjunction with the request from Southwest Texas State University to implement a BSN program.

The study indicated that despite a growing number of registered nurses in Texas, a nursing shortage continues to plague substantial portions of rural areas across the state.

In the past decade, enrollments in nursing programs rose from approximately 3,400 students to almost 14,000 in fall 1976. The total number of nurses registered in Texas has been expanding by more than 3,000 each year. That figure includes nurses moving to Texas from other states, as well as those newly licensed graduates of Texas nursing schools.

Statistics show that in 1966 there were 188 active registered nurses per 100,000 population in the state. At present there are 246.

Four types of nursing programs at 52 institutions produce nurses at the undergraduate level. Prospective RN's may opt for a three-year diploma program, a two-year associate degree in nursing or a four-year bachelor of science degree in nursing. A flexible RN-BSN program allows nurses who are already licensed to upgrade their educational qualifications without unneccessary course repetition.

Faculty supply and demand were addressed in the study. The average student-faculty ratio currently stands at about 15 to 1, more than twice the desirable standard recommended by the Board of Nurse Examiners.

In addition, that board increased its minimum standards for nursing faculty, requiring a master's degree in nursing or its equivalent by 1980. Of the state's 916 nursing faculty, at least 170, or almost 30 percent, do not meet the minimum qualifications. The study also noted that 54 budgeted faculty vacancies existed in nursing schools during 1976-77.

STUDENT SERVICES

Needy students in postsecondary institutions may receive financial assistance through several programs provided by the State of Texas. Through its Division of Student Services, the Coordinating Board administers the statewide programs. Principal types of state aid include the Hinson-Hazlewood College Student Loan Program, Tuition Equalization Grants (TEG) Program and Texas Public Educational Grants (TPEG) Program. The Board also administers the federal State Student Incentive Grant (SSIG) Program which provides funds for matching grants to undergraduates through the TEG and TPEG Programs.

Another area of responsibility includes the processing of various tuition waiver programs and Texas residency requirements for determining tuition charges. In addition, the division is providing staff assistance to the interim committee created by the 65th Legislature to study the general area of student loans. Committee recommendations will be presented to the 66th Legislature. It is also administering a federal grant received for planning and establishing a training program for student financial aid officers at postsecondary institutions.

College Student Loan Program

In fiscal year 1977, some 16,330 students borrowed $16,716,116 through the Hinson-Hazlewood College Student Loan Program. These numbers reflect a decrease from the previous year of almost 6,000 students and approximately $4,000,000. The largest single factor in the declining loan volume was the increased availability of the

federal Basic Educational Opportunity Grant.

However, the Board's revised loan procedures also contributed significantly to the reduction. The Board in October 1976 implemented several new procedures designed to help reduce the rate at which borrowers were defaulting on loan repayments. A new insurance agreement was negotiated with the U.S. Office of Education following a public hearing conducted by the Board. The new agreement requires the Board to limit loans at those educational institutions showing default rates above 10 percent of the amount in repayment.

Another major new procedure requires students to name an agent upon whom citation can be served if they cannot be located when, and if, it is necessary for suit to be filed. Additionally, students seeking Hinson-Hazlewood loans now are required to provide a statement from a commercial lending institution certifying that the commercial lender has declined to make the loan. The latter is a new requirement of the U.S. Office of Education.

The Hinson-Hazlewood College Student Loan Program is the largest state-sponsored student loan program in the nation. Officials of several other states have used the Hinson-Hazlewood College Student Loan Program as a model to establish a similar program in their own states.

The first loans were made through the Hinson-Hazlewood Program (then called the Texas Opportunity Plan) in fall 1966. Since that time a total of $190,641,016 has been loaned to 128,679 students.

The average amount borrowed per student is $1,482.

Bond Sales

In January 1977, the Coordinating Board sold $16 million State of Texas College Student Loan Bonds to provide capital for the Hinson-Hazlewood Program during the 1977-78 academic year. Average interest rate on the bonds sold was 4.73 percent. The Board subsequently established the interest rate on loans at 6.23 percent, the highest rate allowable under Internal Revenue Service rules.

The Board to date has sold $205.5 million of the $285 million of constitutionally authorized bonds. Some $24,560,000 of this principal has been retired, leaving $180,940,000 in net bonds payable.

Participation in Federal Insured Loan Program

The Hinson-Hazlewood Program qualified as a lender in the Federal Insured Student Loan Program in August 1971. Since that time, essentially all loans have been fully insured against death, disability or default of the borrower. Loans made by the Board after September 1, 1977, are subject to less than 100 percent insurance coverage if the default rate on such loans exceeds 5 percent of the amount in repayment in a given year. That provision was included in the Higher Education Amendments of 1976 (PL 94-482).

After passage of the law, the Board requested an Attorney General's opinion to clarify options for state action on the loan program. Studying those alternatives during their January meeting, Board members requested that the matter be reviewed by the Legislature.

They recommended that no major decisions be made earlier than the 1979 legislative session.

SCR 62, adopted by the 65th Legislature, provided for a study of the effects of the federal statute upon the Hinson-Hazlewood Program as well as on other aspects of the state's involvement in student loans. The interim committee is composed of three members of the Senate, three members of the House of Representatives and two members of the Coordinating Board.

In other activity during fiscal year 1977, the Board stepped up its loan collection efforts. Current monthly receipts average approximately $1.25 million. Suit has been filed on more than 15,000 borrowers, and some 5,000 judgments have been made.

The payrolls of all state agencies were searched for delinquent borrowers. In some cases, paychecks of state employees with delinquent loans were stopped until payments had been arranged. Similar searches were made in cooperation with several federal agencies, including the Department of Health, Education and Welfare.

Tuition Equalization Grants Program

More than 16,900 students qualified for $9 million through the Tuition Equalization Grants Program during fiscal year 1977. They were enrolled in 44 independent colleges and universities in Texas. Individual grants averaged about $532. The maximum received by any one student was $600.

The TEG Program began operation in fall 1971 when $1 million was distributed to 2,500 freshmen. Additional classifications of

students became eligible in successive years so that all qualified Texas residents, including graduate students, have been eligible to apply for TEG grants since fall 1974.

Rules and regulations adopted by the Coordinating Board for administration of the TEG Program were developed in consultation with the Attorney General's office. The regulations are designed so that the grants will not be used to benefit sects, religious societies or theological or religious seminaries. At the same time, regulations governing the program avoid "excessive entanglements" in the internal affairs of private institutions. Approved institutions also are required to certify that employees are not required to acknowledge belief in or to adhere to any particular religious doctrine.

Texas Public Educational Grants Program

The Texas Public Educational Grants Program was authorized by the 64th Legislature as one of two new programs under the Student Financial Assistance Act of 1975.

Institutions generate funds for the grants by setting aside 25¢ of each $4 per semester hour tuition charge to residents of Texas and $1.50 of each $40 per semester hour charge to nonresidents. Grants are awarded on the basis of financial need. No more than 10 percent of awards may be made to nonresidents. Foreign students are ineligible to participate in the program. Awards are made directly to students.

Each institution is authorized to transfer to the Coordinating Board any or all funds set aside for Texas Public Educational Grants.

Those funds then may be used for matching federal or other grant monies available for making awards to students attending that particular institution. In 1976-77, 55 institutions transferred a total of $2,076,896 to the Coordinating Board to match federal State Student Incentive Grant funds.

TPEG funds matched with SSIG monies are administered by the Coordinating Board through the Texas Public Educational-State Student Incentive Grants Program (TPE-SSIG). Criteria for these grants are generally the same as those for the TPEG Program, with certain additional requirements set for the SSIG Program. In fiscal 1977, 5,433 students enrolled in public institutions benefited through the TPE-SSIG Program. The average award was $382.

State Student Incentive Grant Program

The State Student Incentive Grant Program was authorized in the federal Higher Education Amendments of 1972. Initial funding was appropriated for implementation in fiscal year 1975.

Federal funds in the amount of $2,423,591 were received and disbursed in grants to 8,527 qualified students in fiscal 1977. The federal funds are awarded as equal matching grants for eligible students receiving TEG and TPEG grants. The average grant was $284.

Texas Assistance Grants Program

In addition to the Texas Public Educational Grants Program, the Student Financial Assistance Act of 1975 authorized the Texas Assistance Grants (TAG) Program. Its goal is to "supply grants of money

enabling students to attend postsecondary educational institutions, public or private, of their choice in Texas." The Coordinating Board is to award grants to eligible students enrolled in approved institutions. Grants may not exceed $1,000 per student in a fiscal year and should not be above the amount of financial need demonstrated by the student.

However, state funds for implementation of this program were not appropriated for either the 1975-77 or the 1977-79 biennium. When funding becomes available through this program, grants can be made to vocational and technical school students who are not now covered under the existing TEG and TPEG Programs. Grants through the TAG Program also will qualify for matching federal funds through the State Student Incentive Grant Program.

Tuition and Fees

With a tuition rate at public institutions of only $4 per semester credit hour, tuition and fee charges for residents of Texas are among the lowest in the nation. The $40 per semester credit hour rate paid by nonresidents and the $14 per hour rate for most foreign students also are low in comparison with similar charges at public institutions in other states.

In addition to tuition, students registering in state-supported institutions are required to pay a student services fee not to exceed $30 per semester; a medical services fee, as determined by the governing board of the institution, not to exceed $15 per semester; and building use fees not to exceed $6 per semester credit hour, except

at institutions which had maximum fees frozen at an amount greater than $6 when the Legislature established the ceiling in 1975. Student center fees of up to $15 per semester also are legislatively authorized at several senior institutions.

Residency Determination for Tuition Purposes

The Texas Education Code (Section 61.059 [d]) assigns the Coordinating Board responsibility for the development of tuition policies for public institutions of higher education. In keeping with this responsibility, the Board periodically publishes a booklet outlining state statutes concerning residence classification for tuition purposes. The publication also contains regulations adopted for uniform interpretation of the statutes and for determining appropriate tuition charges for foreign students.

One portion of the foreign student tuition policy provides for reciprocal charges for students from countries whose public institutions charge U.S. citizens no more than $200 in U.S. currency per semester. Because of that agreement, the Board staff maintains an almost constant correspondence with the education ministries of countries with students enrolled in Texas institutions. Students from 97 countries presently are eligible to register at Texas public institutions at a rate lower than the regular nonresident fee.

The Legislature in 1977 amended the Texas Education Code (Section 130.003) to allow public junior colleges to waive the difference between resident and nonresident tuition charges for a person, and his dependents, who owns property which is subject to ad valorem taxa-

tion by the junior college district.

Other State Financial Aid Programs

In addition to the centrally administered student financial aid programs, the State of Texas provides a variety of other financial aid programs for college students.

Nine statutory provisions exempt several categories of students from payment of tuition and/or certain fees at public institutions. Students eligible for such exemptions include the highest ranking graduate of accredited Texas high schools, certain students from other nations in the American hemisphere, blind and deaf students and certain veterans and their dependents. In fiscal year 1977, some 41,000 students were exempted from the payment of approximately $6.5 million in tuition and fees under these statutory provisions.

CAMPUS PLANNING AND PHYSICAL FACILITIES DEVELOPMENT

Efficient use of construction funds and the orderly development of campus facilities remained an area of active concern for the Coordinating Board in 1976-77.

The Board, through its Division of Campus Planning and Physical Facilities Development, provides guidance to public institutions in setting priorities for campus construction and renovation to accommodate projected college student enrollments. It conducts studies necessary to meet statewide higher education facilities planning needs. The Board also administers federal programs involving the planning and construction of campus facilities and the purchase of teaching equipment and materials.

In conjunction with those responsibilities, a wide range of services is offered. The division staff maintains an up-to-date statewide facilities inventory, annually revises estimates of space needs of educational institutions and publishes related studies. In addition, federal facilities grants and equipment and materials grants are administered by the Board. Another function of the facilities division involves planning studies for the Legislative Budget Board in its evaluation of institutional requests for major repair and renovation projects.

Approval of Construction Projects and Real Property Acquisition

The 65th Legislature expanded the authority of the Coordinating Board in approving or disapproving construction and major repair

and renovation on state-owned college campuses. In considering building projects, the Board now is directed to weigh financial implications of proposals costing more than $500,000. The new law, Senate Bill 450, augments legislation passed two years ago which mandated Board review of institutional requests for construction and acquisition of real property.

New construction and major repair and rehabilitation projects specifically approved by the Legislature continue to be exempted from Board approval. Other projects remaining exempt are those financed from the ad valorem tax receipts of public junior colleges.

SB 450 also increases from $25,000 to $100,000 the minimum cost of repair and rehabilitation projects requiring Board approval. That provision is intended to reduce the number of small projects being submitted for Board consideration. Other new legislation requires institutions of higher education to advertise for competitive bids before awarding contracts for construction of permanent improvements.

Through fiscal year 1977, the Board did not consider financial aspects of building requests. Under existing statutes, each proposed construction project was evaluated on the basis of four specific guidelines. According to those criteria:

--Proposed projects must be in conformity with the institution's role and scope.

--Approval or disapproval will be based upon a comprehensive and current institutional campus master plan.

--Consideration of requests for construction projects will include an evaluation of the effective use of space in the proposed facility and the relative need for the additional space.

--Each institution must file a certificate of compliance with the Coordinating Board to assure that proposed projects meet certain standards of accessibility to the handicapped.

The Board in 1976-77 approved 68 construction projects at 30 institutions in accordance with those standards. The authorized projects totaled $46.6 million.

Responding to its statutory mandate to endorse or delay the acquisition of real property by institutions of higher education, the Board approved six requests. They added approximately 65.1 acres to the real estate holdings of six Texas public senior institutions. Each project was evaluated to assure conformity with the institutional role and scope and campus master plan.

The 65th Legislature approved $44.2 million for nine construction projects. Funding was to be made available at the beginning of the 1977-79 biennium. In the 1975-77 biennium, some $59 million had been budgeted for 10 projects at nine institutions. The Coordinating Board does not review proposals which receive special legislative funding.

Long Range Campus Master Planning

The Coordinating Board maintained its evaluations of campus master plans in accordance with strengthened procedures adopted during the previous fiscal year. Following campus visits to review requests for construction and renovation projects, division staff prepared analyses of campus master plans and physical facilities inventories for institutional and Board guidance.

Broad and general plans for development of facilities existed at

most institutions. However, many of the plans lacked the detail and comprehensiveness required for effective long-range planning. Institutions failing to meet minimum criteria were asked to proceed with development or comprehensive revision of their long-range campus plans.

Board guidelines require long-term planning efforts to (1) establish a priority of construction needs, (2) relate construction plans to academic role and scope, (3) show an existing site plan and (4) describe a proposed land use plan.

Budgetary Liaison With LBB and Governor's Office

In 1976-77, the Coordinating Board continued to work closely with the Governor's Office and the Legislative Budget Board. Concern focused on all matters related to higher education budgets, but particular attention was devoted to funding of two categories: "custodial services" and "major repair and rehabilitation."

Custodial budget requests, based on the gross square footage of facilities, had been adjusted during the previous fiscal year in relation to each institution's facilities inventory. Additional questions pertaining to those figures were received and answered in 1977 as the Legislature continued its deliberations.

The major repair and rehabilitation category was the subject of a project survey report from the campus planning division to the Legislative Budget Board and the Governor's Office. Funding in that area totaled $39,056,176, some 50 percent of the amount requested by public universities for major renovation. This represents a positive

response by the Legislature to an area of higher education needs.

Physical Facilities Inventory

Inventory of all buildings and rooms on the state's public and private, junior and senior campuses this year again was a major emphasis of the Coordinating Board. As Board responsibilities expanded in the areas of physical facilities planning and utilization, the importance of the facilities inventory as an analytical tool also increased. Maintenance of the facilities inventory will be vital as the Board implements provisions of Senate Bill 450.

Efforts to upgrade the Coordinating Board's data processing equipment and capabilities have resulted in improved access to the facilities inventory computer files. Newly developed "institutional profiles" include substantial data on facilities, and new and better approaches to the measurement of various types of space utilization also have been established. More precise measurement in those areas will enable better analysis of need at institutions submitting construction requests to the Coordinating Board.

Facilities Inventory Workshops

For the fifth consecutive year, the division staff conducted workshops on facilities inventory policies and procedures. The two workshops provided an open forum for the exchange of information, ideas and suggestions. Basic instruction in inventory techniques also was offered.

Meetings were held in Dallas and Houston during May and June,

with approximately 55 persons attending both meetings. The annual workshops enable continued progress toward more current and accurate facilities inventories. They offer a valuable opportunity to enhance the professional dialogue between institutions and the Coordinating Board on facilities-related matters.

Student Housing Survey - Fall 1976

Several colleges and universities expressed renewed interest during fiscal year 1977 in building additional student housing. A Coordinating Board housing survey in fall 1976 indicated that the occupancy rate for institutional housing had taken a slight upswing in comparison with figures from the previous year. Coinciding with that trend, the federal government reactivated its assistance programs for student housing development.

According to the study, eight of the state's public senior universities with institutional housing reported occupancy rates of below 90 percent. During the previous year, 10 institutions had occupancy rates below that figure. A 90 percent occupancy rate is generally accepted as the minimum level necessary for an institution to maintain a financially sound student housing operation.

Two public senior colleges indicated plans to convert some of their housing units to other types of facilities.

Among the public senior institutions, the average occupancy rate increased from 91.3 percent in 1975 to 92.1 percent in 1976. Institutional occupancy rates ranged from a low of 59.7 percent at one university to a high of 100 percent at six universities.

Public junior colleges in the survey averaged an occupancy rate of 88.2 percent, up from 86.4 percent in 1975. Occupancy levels varied from a low of 50 percent at one institution to a high of 100 percent in 12 colleges.

Occupancy rates in private institutions increased from 93.8 percent in 1975 to 94.2 percent in 1976. Although one private college had a rate of 70 percent, seven institutions were fully occupied and had excess demand.

The study revealed a statewide occupancy rate of 92.7 percent in institutionally owned student housing. However, not all institutions had reached the desired occupancy level of 90 percent.

Federal Program Administration

The Coordinating Board administers three federal programs for planning and construction of campus facilities, purchase of teaching equipment and materials and higher educational planning. All Texas institutions, both public and private, are assisted by the Board's staff in planning and implementation of approved federal grant programs.

Instructional Equipment Grants Program

Federal funding to aid colleges and universities in purchasing instructional equipment and materials received congressional approval this year. Some $452,086 was awarded to 35 Texas institutions after the Board endorsed a priority list for project funding during the 1977 fiscal year.

Purpose of the federal program, created by Title VI-A of the 1965

Higher Education Act, is to improve the quality of undergraduate instruction by providing financial assistance on a matching basis for equipment and materials.

Eligible institutions receive initial grants of $15,000 or 50 percent of the project cost, whichever is less. Funds are assigned to projects in the order of their priority until the state allocation is exhausted. In 1976-77 the Board received a total of 98 applications for Title VI-A funds from 70 institutions. The 35 institutions receiving grants represent approximately 29 percent of all Texas colleges and universities. The applications submitted requested federal funds in excess of $1.35 million.

Title VI-A State Plan Amendments

The Coordinating Board approved modifications in the State Plan for administering the Title VI-A equipment grants program. The changes were designed to encourage institutional efforts to improve undergraduate instruction and to make better use of classroom space. Certain administrative changes also were adopted to help simplify the application review process.

Construction Grants Program

Regulations were published by the U.S. Office of Education to establish grant and loan procedures for projects to aid colleges and universities in conserving energy and making facilities accessible to the handicapped in accordance with the Architectural Barriers Act of 1968. The amended rules also will enable funding of projects aimed

at bringing institutions into conformance with federal, state or local health and safety protection requirements.

However, Congress for the third consecutive year has not appropriated funds for these undergraduate academic facilities construction grants. They are authorized under Title VII of the 1972 Higher Education Act to help build, reconstruct and renovate college and university facilities.

Texas institutions had received, over the previous years, more than $95 million in matching federal grants for academic facilities construction.

During fiscal year 1977, some 13 projects funded through the program were still under construction at Texas institutions. In addition, four other approved projects were not yet started. The combined total of projects under construction and projects approved but not yet started represents a development cost of more than $47 million and federal grants in excess of $4 million.

Public Works and Economic Development Act

Five Texas community colleges received federal public works construction funds early in fiscal year 1977. Grants were awarded to Houston Community College, $4,194,000; Laredo Junior College, $688,000; Texarkana Community College, $750,000; Texas Southmost College, $516,000; and South Plains College, $2,000,000. The Texas institutions were eligible for the funding because of their location in counties with unusually high unemployment rates.

The Board's facilities division assisted 11 colleges and univer-

sities in submitting applications requesting some $18.1 million in special federal grants to construct, rehabilitate or remodel academic buildings. The funding was made available through Title X Public Works and Economic Development appropriations to the U.S. Department of Commerce to provide jobs for the unemployed.

The Governor's Office of State-Federal Relations and the regional U.S. Office of Education also aided the Texas colleges in submitting their applications.

ADMINISTRATION

Support services for Coordinating Board programs are provided by the Division of Administration. The division also coordinates the development, implementation and use of the comprehensive Management Information System (MIS). Staff support for administration of the new Texas State College and University Employees Uniform Insurance Program, mandated by the 65th Legislature, will be another area of responsibility for which the division assumes responsibility.

Additional areas of service include personnel, accounting, budgeting, purchasing and supply, printing, mail service, computer operations and educational data collection.

During fiscal year 1977, the Board continued to make significant progress toward implementation and utilization of the Management Information System. A comprehensive data base is being developed through the MIS for each college and university on the basis of information submitted to the Educational Data Center. From that data base, institutional profiles and departmental analyses were generated for a number of institutions. Use of the profiles has become an integral part of the Board's review of program requests at public colleges and universities.

Five primary areas of operation are incorporated in the division: business services, personnel services, educational data center, data processing and higher education insurance program.

Business Services

In providing program support, the business services section main-

tains responsibility for a general accounting system, auxiliary grants accounting and a student loan fund and interest and sinking fund accounting system. All monthly and annual federal and state reports also are processed by this section. More than $100 million was disbursed from this office during the year.

Business services personnel process all payrolls and reports, including Internal Revenue Service, Social Security, retirement and insurance reports. Maintenance of supplies and purchasing are additional functions of this section. An equipment inventory is kept on all capital outlay items. The staff each year checks for any missing items and reports them to the State Auditor.

The print shop processed some 1,640 printing requests during the year. They ranged from one-page items to bound reports of more than 200 pages. Most of the Coordinating Board's printing is handled in-house, with only a few items being sent to outside printers.

Over 500,000 pieces of mail were sent out by the Coordinating Board during fiscal year 1977. Postage totaled slightly more than $100,000.

Personnel Services

The Coordinating Board made significant progress during 1977 in meeting its affirmative action goals. A report at the end of the fiscal year indicated that the composition of the Board's staff on September 1, 1977, would closely match the goals set for that date in the affirmative action plan. The Board is operating under a revised plan adopted in July 1976.

A comparison of the latest employment characteristics with those

of January 1976 demonstrates the plan's impact. The number of female administrators increased from 18 percent to 26 percent while minorities in that category increased to about 8 percent. In professional and technical positions, the number of women rose from 33 to 43 percent. The percentage of minority employees remained fairly stable at about 25 percent.

In addition to the affirmative action plan, the personnel services section is responsible for administering workmen's compensation, retirement and uniform group insurance programs. Recruitment, preliminary job interviews and employee/supervisor consultation on personnel matters also are handled through the personnel office.

Educational Data Center

The Educational Data Center serves as the Coordinating Board's clearinghouse for comprehensive data on Texas colleges and universities. That information is invaluable in measuring the progress of the state's postsecondary educational system and in projecting future educational needs.

A wealth of statistics is supplied by the data center for use by the Board in educational decision-making. Data also are made available to other state and national agencies upon request.

In addition, media services are coordinated through the data center to aid division staff in making recommendations concerning long-range planning and program requests. Various educational presentations are another responsibility.

In cooperatic with the data processing section, the Educational

Data Center sponsors annual workshops to advise personnel from public junior and senior institutions of changes and additions to reports and data processing procedures.

The Educational Data Center has been involved in numerous studies on transfer of credit, common course numbering, common calendar and formula funding, among others. It also has been active in the State Level Information Base project being conducted by the National Center for Higher Education Management Systems at the Western Interstate Commission for Higher Education.

Data Processing

Conversion to the Honeywell 6000 series 66 computer was completed during the fiscal year. In addition, the growth of existing computer services, especially management information systems, continued at a phenomenal rate. To contend with this increased storage of computerized information, a data base management system--Honeywell Management Data Query System--was acquired. It is designed to facilitate information retrieval and reporting.

Principal developments this year in the data processing section include:

Hinson-Hazlewood College Student Loan System

A unique data-entry system was installed in 1977. It enables information to be keyed into the computer system through video display terminals from original documents. The expensive and time-consuming intermediate step of punching information into cards or keying data to tape has been eliminated. This data-entry system, developed over

a five-month span, is the only one of its kind in operation in the United States.

Contending with the growth of the loan program has become a major preoccupation for data processing. The computer system handled more than 130,000 inquiries concerning the Hinson-Hazlewood Program.

Tuition Equalization Grant-State Student Incentive Grant System

In keeping with new federal requirements, the TEG-SSIG Program was modified to withhold the issuance of monies to institutions with excessive unaffirmed grants. The data processing section generated mailing labels for program and disbursing officers of institutions receiving warrants for the unaffirmed grants. TEG files demonstrated steady growth in 1977, with more than 18,000 records being maintained.

Texas Public Educational Grant-State Student Incentive Grant System

Reports were developed this year detailing the breakdown of funds disbursed through the TPEG Program and the amount of grants awarded through the SSIG Program. Like the TEG system, the TPEG Program was modified to discontinue issuing money to schools with excessive unaffirmed grants. The TPEG system, in only its second year, included some 12,000 records.

Management Information System

Development of a data base for the Management Information System was prominent among the accomplishments in this area. Fourteen profile areas were defined and developed for each of the institutions on which educational data is maintained. Information now is available on

enrollments, degrees awarded, declared majors, semester credit hours taught, contact hours, course inventory and courses taught. Other data profiles class size, faculty headcount, faculty full time equivalence, faculty salary, faculty full time equivalence salary, faculty age and classroom utilization.

Five of the profile areas have been incorporated into a departmental analysis. Among the areas examined are semester credit hours taught, faculty salaries per semester credit hour, semester credit hours taught per full time faculty equivalence for each curriculum area and department for each reporting school.

Additional reports produced this year listed the approved off-campus courses offered by each institution and the location at which the courses were taught.

Higher Education Facilities Inventory

Improvements have been made in the higher education facilities inventory system to provide continuous, updated information. The continuous update process is supplemented with monthly summary reports to assure timely, accurate information.

Higher Education Insurance Program

Plans began in fiscal year 1977 for implementation of a new Texas State College and University Uniform Insurance Benefits Program to be administered by the Coordinating Board. Established by Senate Bill 95 of the 65th Legislature, the program is intended to provide uniformity in basic group life, accident and health insurance coverage

and in the administration of retirement annuity programs for all employees of Texas state colleges and universities. The law was to become effective September 1, 1977. It charges the Commissioner of Higher Education, acting under the direction and established procedures of the Coordinating Board, with appointing an Executive Secretary for the program and providing other necessary staff.

The program is to be governed by a nine-member administrative council. Members are to include three representatives selected by presidents of the six senior institutions having the highest number of employees, three representatives selected by presidents of the three junior level or technical institutions having the highest number of employees, and three members appointed by the Commissioner of Higher Education. The council will be responsible for determining the basic coverage standards, establishing maximum administrative costs and promulgating all other policies, practices and procedures related to the implementation and administration of the program.

An advisory committee composed of representatives from each institutional component, unit or agency will assist the council. Committee members are to work with the council as advisors in development and administration of the insurance program. They also will provide an open channel of communication between the council and their respective institutions.

OTHER ACTIVITIES OF THE COORDINATING BOARD

Research on issues affecting Texas higher education constitutes an important element of Coordinating Board activities throughout the year. Studies focus primarily on matters relevant to Board responsibilities for senior colleges and universities, community colleges and continuing education, financial planning, health affairs, student financial aid and campus planning. Publications detailing Board research are made available to leaders in education and government to assist them in the decision-making process. The Board and its staff also work cooperatively with agencies in other states on educational issues of mutual concern.

Research and Publications

A monthly newsletter, CB Report, provides the state's academic community with information about Coordinating Board actions and assists institutions in keeping abreast of other news affecting higher education. Officials in the executive and legislative branches of state government and higher education officials in other states also receive the publication.

In response to special requests from state government leaders, the Board develops reports on various aspects of higher education. In addition, detailed information on Board meetings, policy proposals and actions by the Commissioner of Higher Education are prepared and distributed to the news media.

During fiscal year 1977, the Board published an addition to its continuing study paper series. CB Study Paper 26, Upper-Level Institu-

tions and Off-Campus Educational Units of Texas Public Universities was issued in March 1977. An Annual Report and Statistical Supplement also were published.

CB, The Coordinating Board, a brochure which explains Board functions, was being updated as the fiscal year ended to reflect new responsibilities delegated by the 65th Legislature as well as staff reorganization.

Serving as a liaison for the State of Texas, the Board participates in projects developed by the Southern Regional Education Compact to improve mental health and education opportunities in the South.

As in the past, the Board in 1977 administered trusteed funds of $12,000 to support SREB mental health programs. The projects were designed to recruit additional qualified mental health workers for the South and to encourage research activities, as well as the interchange of knowledge, in the field of mental health.

The Board also served as trustee for $12,000 in legislative appropriations for the Institute for Higher Educational Opportunity in the South. The status of predominantly black Southern colleges is a primary concern of the institute. It assists black institutions in defining special roles and fulfilling specific goals.

Interagency Cooperation

To ensure effective planning for higher education, the Coordinating Board works closely with a number of state agencies. They include, among others, the Legislative Budget Board, the Governor's Budget Office,

Texas Education Agency, State Board of Vocational Education, Governor's Commission on Services for Children and Youth, Governor's Committee on Aging and the State Board of Examiners for Teacher Education.

The Board and its staff also hold membership on numerous inter-agency councils. Cooperative efforts among the groups have proved essential in the coordination of services to meet the needs of Texas citizens, particularly in the areas of health, vocational-technical and adult and continuing education.